

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2000-334-C - ORDER NO. 2000-928  
NOVEMBER 14, 2000

|   |   |                |
|---|---|----------------|
| IN RE: Consumer Advocate for the State of South Carolina, | ) | ORDER          |
|   | ) | SETTING        |
| Complainant/Petitioner,                                   | ) | ORAL ARGUMENTS |
|   | ) |                |
| vs.   | ) |                |
|   | ) |                |
| Palmetto Rural Telephone Cooperative, Inc.,               | ) |                |
|   | ) |                |
| Defendant/Respondent.                                     | ) |                |

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Motion to Dismiss the Complaint in this case filed as a portion of an Answer by the attorneys for the Local Exchange Carrier (LEC) that is the subject of this Complaint.

The Consumer Advocate for the State of South Carolina (the Consumer Advocate) requests that this Commission issue its Order creating a new docket to review the rates, charges and earnings of the LEC named herein. The Consumer Advocate alleges that, as a result of its operations under the Interim LEC Fund process, the Company has benefited from increased revenues, and earnings stability, due to the

increases in basic local exchange rates and increasing minutes of use for toll access which have occurred during that process since the beginning of 1997. According to the Consumer Advocate, due to these changes in revenues, the decreasing costs associated with the operation of telecommunications companies in general, diversification, and the length of time since its last rate proceeding, it is appropriate to examine the Company's rates, charges, and earnings at this time. In addition, in order to comply with the requirements of the procedure for the establishment of the intrastate Universal Service Fund (USF) in Docket No. 97-239-C, according to the Consumer Advocate, the Commission will be required to investigate and determine the appropriate single-party residential and single-line business rates for the State of South Carolina for each incumbent LEC (ILEC) operating in South Carolina. The Consumer Advocate further alleges that in order to accomplish this, the Commission must investigate the rates, charges, and earnings of every ILEC operating in South Carolina, including this one. In addition, the Consumer Advocate states its belief that the Commission must review these rates prior to allowing any rate change requests or withdrawals from the USF.

While disputing many of the Consumer Advocate's allegations, the ILEC herein answered the Complaint by stating, *inter alia*, that the complaint fails to state a cause of action against it, since it does not allege that any existing rates in effect for the Company are unjust, unreasonable, discriminatory, or in any way are in violation of any provision of law. Further, the ILEC states that the Complaint does not allege that the Company is earning or has earned a rate of return in excess of its Commission-authorized maximum

rate of return. The ILEC therefore moves that the Complaint be dismissed. The Consumer Advocate also filed a reply to the Answer and Motion.

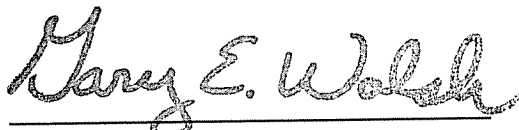
We have considered the allegations of the Consumer Advocate's Complaint, the elements of the ILEC's Answer, including its Motion to Dismiss, and the Consumer Advocate's reply to the Answer and Motion. We do not believe that we have enough information at this time to rule on the Motion, therefore, we believe that oral arguments on the merits of the Motion by the parties to this case would aid in our decision-making process on said Motion. We therefore hold that said oral arguments on the Motion shall be held on **December 6, 2000 at 2:30 PM** in the Commission's Hearing Room.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)